
STATE OF INDIANA

DISTRESSED UNIT APPEAL BOARD



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Distressed Unit Appeal Board Meeting Memorandum

March 2, 2018

Call to Order: A meeting of the Distressed Unit Appeals Board (DUAB or Board) was held on March 2, 2018, at 9:00 a.m. EST at the Indiana Government Center South Building, Auditorium, Indianapolis, Indiana. Members of the Board attending the meeting in-person include Micah Vincent, Chairman, Paul Joyce, Wes Bennett, Tracy Brown, and Representative Milo Smith. Rebecca Kubacki, Senator Eric Bassler, and Representative Cherrish Pryor attended by phone. Courtney Schaafsma, Executive Director, was also in attendance.

Chairman Vincent called the meeting to order and recognized compliance with the Open Door Law. Chairman Vincent welcomed Ms. Tracy Brown to the Board. He then presented the meeting minutes from the February 16, 2018 meeting for approval. Mr. Bennett moved to approve the minutes, and Mr. Joyce seconded. The Board voted 5-0 to approve the minutes.

Ms. Schaafsma then provided the Board with the Executive Director's Report. For Gary Community School Corporation ("GCSC"), Ms. Schaafsma noted that the Gary School Board meeting occurred on February 21, 2018, during which public comment was taken on the recommendations of the emergency manager. She also noted that the emergency management team was working on a variety of parent engagement items, including encouraging notes for ISTEP and a Dad's Week to occur in March.

For Muncie Community Schools ("MCS"), Ms. Schaafsma noted that she had done a number of contract approvals pursuant to DUAB Resolution 2017-1.

Chairman Vincent then introduced the consideration of the contract approval for Administrator Assistance to serve as the Muncie Community Schools' emergency manager. Ms. Schaafsma noted that the contract was for the period of January 1, 2018 through June 30, 2018. She indicated that DUAB's action would be to ratify the contract. Mr. Joyce asked for clarification on the role the emergency manager was playing given the vacancy of the CFO position at MCS. Ms. Schaafsma indicated that the emergency management team is filling that role on a temporary basis, and the position is currently posted and accepting applicants. Mr. Joyce moved to ratify the contract for Administrator Assistance, and Mr. Bennett seconded. The Board voted 5-0 to approve the motion.

The next agenda item was consideration of the GCSC emergency manager's recommendations concerning building closures and grade reconfiguration. Ms. Schaafsma summarized the recommendations made by the emergency manager, including the closure of Wirt-Emerson Visual and Performing Arts High Ability Academy and consolidation of high school students into West Side Leadership Academy, closure of the administration center, and grade reconfiguration into K-5, 6-8 and 9-12 schools. These recommendations would be applicable for the 2018-2019 school year. DUAB is not

tasked with approving which facility would be used for middle school as that decision would not result in a school closure. Ms. Schaafsma noted that public comments received had been provided to the DUAB members.

Chairman Vincent spoke to the importance of this decision, not just from a financial perspective but also in terms of the ability to offer more comprehensive academic and extra-curricular offerings. He noted that difficult choices have to be made in order to provide for the long-term viability of GCSC. Representative Smith asked about the potential loss in enrollment as a result of closing a school building. Chairman Vincent noted that these decisions have both short-term and long-term consequences. In the short-term, student enrollment changes can impact the revenue for GCSC. In the long-term, operational and capital expenses need to be considered, in addition to being able to provide room for growth and sufficient academic offerings to attract students to GCSC. Representative Smith asked about the long-term outlook for GCSC in terms of distressed status. Chairman Vincent noted that it is not possible to know what the long-term outlook may be for GCSC in terms of distressed status but that decisions need to consider the long-term impact to the school corporation.

Dr. Peggy Hinckley, emergency manager for GCSC, spoke to the history of key programs at GCSC over time, including the Emerson Arts Program. She noted that all students need to have access to at least introductory classes. She then explained what offerings currently exist at Wirt-Emerson in the Emerson Arts Program, the existing staffing for the program and how these offerings would be transitioned to West Side. For middle school students, she noted that the team was working on the integration of a STEAM curriculum within existing arts offerings. For high school students, Dr. Hinckley discussed the integration of the arts offerings into West Side and the staffing needs for these offerings. She also noted facility improvements that would need to be made in order to accommodate the arts program. Dr. Hinckley then discussed high ability offerings at West Side.

Representative Smith asked about the anticipated enrollment loss as a result of closing Wirt-Emerson. Dr. Hinckley noted that the emergency management team was projecting a 15% loss in student enrollment from Wirt-Emerson students, but that the team was working to attract students back to GCSC. Representative Smith asked about the impact of school closures to transportation costs. Dr. Hinckley explained that Wirt-Emerson and West Side are already choice schools which impacts bussing. She noted that the majority of students are already bussed. Chairman Vincent also noted that the population density analysis showed the majority of the students on the west and south sides of Gary, closer to West Side.

Dr. Hinckley then explained that the emergency management team was currently looking at locating the middle school at Banneker Achievement Center rather than Bailly Preparatory Academy as originally discussed. This was based on community feedback, facility condition, and accessibility of the facilities for mobility-challenged students. The gifted and talented program for K-5 would be moved to Marquette Elementary, including Principal Givens. Chairman Vincent noted that Banneker is within the Miller community, about 1 mile from Wirt-Emerson, which may help with student retention.

Representative Smith thanked Dr. Hinckley for her work in listening to the feedback received. Mr. Bennett asked about athletic programs. Dr. Hinckley explained that Wirt-Emerson does not have athletics, and high school students from Wirt-Emerson participate at West Side currently. For middle school students, only basketball is currently offered. The emergency management team is looking to

reinroduce other sports to middle school to encourage school pride and attract students back to GCSC. Mr. Bennett also thanked Dr. Hinckley for her work in addressing community schools and developing a comprehensive plan for high school and middle school for GCSC.

Ms. Schaafsma noted that the administration center is currently housed in a former elementary school. She explained that the emergency management team has explored other options and have identified that there is space available at West Side for the district offices. She noted that there would be separate access to the district offices and plenty of parking available.

Mr. Bennett made a motion to approve the GCSC emergency manager's recommendations for grade configuration, closure of the administration center and closure of Wirt-Emerson and consolidation of high school into Wirt-Emerson. Mr. Joyce seconded. The Board voted 5-0 to approve the motion.

The next agenda item was consideration of the performance incentive for the GCSC emergency management team for the development of the deficit reduction plan. Ms. Schaafsma explained that the plan was submitted by the required deadline per the contract and includes a variety of revenue-enhancement, cost-reduction and debt-restructuring initiatives. She noted that the contract provides for other opportunities throughout the contract period to review the plan, including six-month updates and additional performance incentives in future years tied to conformance with the plan. Chairman Vincent noted that this is a plan that provides a number of options for addressing the existing financial situation for GCSC. Mr. Joyce noted that he felt the plan was viable while also optimistic, but not all of the initiatives needed to be successful in order to provide for the financial success of GCSC. Mr. Joyce made a motion to approve the viable deficit reduction plan and the performance incentive for the delivery of the plan. The Board voted 5-0 to approve the motion.

New business: None.

Adjournment: Chairman Vincent adjourned the meeting at 10:05 a.m.